



Geoff Squibb MLC
Member for Mersey



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Government Prices Oversight Commission
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Dear Sir

METRO PRICING POLICIES

I wish to make a very brief comment on the operation of Metro services and operations.

I note from the *Issues Paper Overview February 2000* that –

... Metro continues to compare unfavourably with private operator costs. Average labour costs, drivers per bus hour costs, overheads and bus repairs and maintenance costs are all above the private sector benchmark levels ...

Metro submits that whilst it is possible to achieve further productivity and efficiency gains, there will always remain a significant gap due to award conditions and unit rate differences inherent between public and private employees.'

This being the case I believe the taxpayers of Tasmania and the users of the service would be better served if the Metro was either sold or its operations market tested by being put to tender on a regular basis. The latter has been the case for quite a number of services in mainland states for a number of years now. A similar arrangement was also entered into for the recently commenced re-vamped Devonport service.

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Whilst these comments may not directly address the issues raised in the Issues Paper I believe that where they do not have a direct impact they certainly have an indirect impact, on pricing, levels of service and patronage.

I hope my comments can be considered as part of your investigation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Geoff Squibb', written in a cursive style.

GEOFF SQUIBB MLC
Member for Mersey